

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN
AT LAW AND IN ADMIRALTY

UNITED STATES OF AMERICA,

Plaintiff,

v.

Case No.

APPROXIMATELY \$40,000.00 IN UNITED
STATES CURRENCY FROM BANK OF
AMERICA ACCOUNT NUMBER ENDING
IN 6148,

Defendant.

VERIFIED COMPLAINT FOR CIVIL FORFEITURE IN REM

The United States of America, by its attorneys, Gregory J. Haanstad, United States Attorney for the Eastern District of Wisconsin, and Laura S. Kwaterski, Assistant United States Attorney for this district, alleges the following in accordance with Supplemental Rule G(2) of the Federal Rules of Civil Procedure:

Nature of the Action

1. This is a civil action to forfeit property to the United States of America, under 18 U.S.C. §§ 981(a)(1)(A), 981(a)(1)(C) and 984, including cross-references to 18 U.S.C. §§ 1956(c)(7) and 1961(1), for violations of 18 U.S.C. §§ 1343, 1956, and 1957.

The Defendant In Rem

2. The defendant approximately \$40,000.00 in United States currency from Bank of America account number ending in 6148 was seized on or about June 6, 2022, when the United States Secret Service received a check in that amount from Bank of America, following the Secret Service's execution of seizure warrant #22-902M on the bank.

3. United States Magistrate Judge Nancy Joseph of the Eastern District of Wisconsin had issued that warrant on or about May 20, 2022. The warrant authorized the seizure of up to \$40,000.00 in funds on deposit in Bank of America account ending in 6148, held in the name of Silver Star Inc. doing business as Flagship Motorcars.

4. The defendant property was seized in Milwaukee, Wisconsin, and is presently in the custody of the United States Secret Service in Washington, D.C.

Jurisdiction and Venue

5. This Court has subject matter jurisdiction over an action commenced by the United States under 28 U.S.C. § 1345, and over an action for forfeiture under 28 U.S.C. § 1355(a).

6. This Court has *in rem* jurisdiction over the defendant property under 28 U.S.C. § 1355(b).

7. Venue is proper in this district under 28 U.S.C. § 1355(b)(1) because the acts or omissions giving rise to the forfeiture occurred, in part, in this district.

Basis for Forfeiture

8. The defendant property is subject to forfeiture under 18 U.S.C. §§ 981(a)(1)(C) and 984, because it constitutes, or is traceable to, proceeds of “specified unlawful activity” – as defined in 18 U.S.C. § 1956(c)(7), with reference to 18 U.S.C. § 1961(1) – namely, wire fraud, committed in violation of 18 U.S.C. § 1343.

9. The defendant property is also subject to forfeiture under 18 U.S.C. § 981(a)(1)(A) because it was involved in, or is traceable to funds involved in, money laundering transactions in violation of 18 U.S.C. §§ 1956 and 1957.

Facts

Background

10. According to the Federal Bureau of Investigation, Business Email Compromise (“BEC”) is one of the most financially damaging online crimes. A BEC scheme is a form of cybercrime which uses a fraudulent email to obtain funds from an organization or business entity.

11. In a BEC scheme, a fraudster gains unauthorized access to, or spoofs, the email address belonging to a customer or vendor of a business. The fraudster then sends an electronic communication—on the false pretense that the fraudster is the business’s legitimate vendor or customer—instructing the business or one or more of its vendors, customers, or financial institutions to wire money to a bank account controlled by the fraudster.

12. In many cases, the person or persons who launder the proceeds of a BEC fraud scheme first open a bank account or accounts to receive those proceeds. Such a launderer often opens the bank account or accounts in the name of one or more fictitious businesses in order to conceal the fraudulent nature of the bank account from the bank and the victims who are duped into wiring money there.

April 2022 BEC scam perpetrated against a victim business

13. In April 2022, an unknown suspect or suspects perpetrated a BEC scam against a victim business having the initials AMI, located in the Eastern District of Wisconsin. AMI provides precision-machined plastic parts and assembly to its customers. One of AMI’s customers is a business having the initials MI, also located in the Eastern District of Wisconsin.

14. An individual having the initials M.B. is an employee at AMI who handles the finances and ordering.

15. From approximately February 2022 through April 2022, an employee at MI received several emails from M.B. at AMI. The employee at MI believed these emails were

coming directly from M.B., as this was their normal means of communication during past business dealings. Instead, a fraudster had gained unauthorized access to the email address belonging to M.B. and had been sending those emails to the employee at MI. The fraudster had changed the rules on M.B.'s email account and intercepted emails sent to and from MI.

16. The fraudster – purporting to be M.B. – responded to emails from the employee at MI. The emails from the fraudster to the MI employee contained invoices to be paid by MI, along with wiring instructions. The emails requested that ACH payments for the invoices be re-routed to several different financial institutions, including to WoodForest National Bank. All of the financial institutions to which the ACH payments were to be re-routed had been chosen by the fraudster and were not associated with AMI.

April 1, 2022 ACH transfer of \$85,109.14 from MI's financial institution into WoodForest National Bank account ending in 3324

17. WoodForest National Bank account ending in 3324 was opened on March 28, 2022. Records show the account holder is Eze Blue Mask Apparel with an address in Marietta, Georgia. The Georgia Secretary of State's website shows the NAICS code for Eze Blue Mask Apparel is "retail trade" with a sub code of "clothing accessories stores."

18. On April 1, 2022, as directed in an email message from the fraudster purporting to be M.B., MI completed an ACH transfer in the amount of \$85,109.14 from MI's financial institution into WoodForest National Bank account ending in 3324 as payment for an AMI invoice.

19. MI would not have made the \$85,109.14 ACH transfer into WoodForest National Bank account ending in 3324 on April 1, 2022, if MI had not been deceived on false pretenses by the person who MI believed to be the M.B. at AMI.

April 4, 2022 deposit of \$40,000 in fraud proceeds from WoodForest National Bank account ending in 3324 into Wells Fargo bank account ending in 6985

20. Wells Fargo bank account ending in 6985 was opened on December 7, 2021, with an initial deposit of \$50. Records show that Toyin Ajayi opened the account as the sole owner of Bethel Business Venture, 3XXX Preston Pointe Way, Apt. #3XXX, Cumming, Georgia.

21. When opening the account, Toyin Ajayi listed the 2020 annual gross business sales of Bethel Business Venture as \$8,000 and the business description was listed as event planning and catering. The Georgia Secretary of State's website shows the NAICS code for Bethel Business Venture as "any legal purpose."

22. Records show that a starter check from Eze Blue Mask Apparel, WoodForest National Bank account ending in 3324, in the amount of \$40,000 was issued to Bethel Business Venture and deposited on April 4, 2022, into Wells Fargo bank account ending in 6985. The note on the check stated, "catering & event planning."

April 11, 2022 wire transfer of \$40,455 in fraud proceeds from Wells Fargo bank account ending in 6985 into Bank of America account ending in 6148

23. Records show that on April 11, 2022, a \$40,455 wire transfer was made from Wells Fargo bank account ending in 6985 into Bank of America account ending in 6148. The note on the transfer stated, "purchase of company vehicle."

24. On April 13, 2022, a \$26,999 wire transfer was made from Wells Fargo bank account ending in 6985 into Bank of America account ending in 6148.

25. The two wire transfers from Wells Fargo bank account ending in 6985 into Bank of America account ending in 6148 – namely, \$40,455 on April 11, 2022, and \$26,999 on April 13, 2022 – total \$67,454.

26. The account holder of Bank of America account ending in 6148 is listed as Silver Star, Inc. doing business as Flagship Motorcars. Flagship Motorcars is located in Massachusetts.

27. Flagship Motorcars' company controller reported that on April 12, 2022, a customer named Toyin Ajayi had purchased a 2018 Lexus LX570 for approximately \$67,463 and that Flagship Motorcars still had the vehicle on their lot.

Victim AMI's discovery of BEC fraud scam

28. On or about April 13, 2022, after AMI had not received payments from MI for products and services rendered, AMI contacted MI about the overdue payments. MI informed AMI that payments had already been made.

29. AMI then checked their emails and noted that payments to AMI were now being sent to four different financial institutions, including WoodForest National Bank.

30. Because the payment to WoodForest National Bank was unusual, an IT representative at AMI reviewed their company email system and found that an unknown suspect or suspects had compromised the email account of M.B. and changed the rules on emails sent to and from MI. The unknown suspect effectively controlled M.B.'s emails to and from MI and instructed MI's account representatives to re-route payments intended for AMI to different financial institutions, including to a WoodForest National Bank account, an account not owned or controlled by AMI.

31. MI was unaware of the business email compromise and as a result had processed payments that it owed to AMI into accounts at financial institutions not associated with AMI.

32. The defendant property constitutes, and is traceable to, MI's April 1, 2022 ACH transfer of \$85,109.14 in United States currency into WoodForest National Bank account ending in 3324, which transfer was made by MI under false and fraudulent pretenses at the direction of a person whom MI representatives believed was M.B. at AMI.

33. The \$40,000 that was deposited on April 4, 2022, from WoodForest National Bank account ending in 3324 into Wells Fargo bank account ending in 6985 constitutes, and is traceable to, proceeds of the BEC fraud scam and was involved in a money laundering transaction.

34. The \$40,455 that was wire transferred on April 11, 2022, from Wells Fargo bank account ending in 6985 into Bank of America account ending in 6148 constitutes, and is traceable to, proceeds of the BEC fraud scam and was involved in a money laundering transaction.

Administrative Forfeiture Proceedings

35. The United States Secret Service (“USSS”) began administrative forfeiture proceedings against the approximately \$40,000.00 in United States currency from Bank of America account number ending in 6148 on the ground that the seized currency constitutes, or is traceable to, proceeds of wire fraud and was involved in, or is traceable to funds involved in, money laundering transactions.

36. On or about August 25, 2022, Toyin Ajayi filed a claim with the USSS in the administrative forfeiture proceeding to the defendant approximately \$40,000.00 in United States currency from Bank of America account number ending in 6148.

Warrant for Arrest In Rem

37. Upon the filing of this complaint, the plaintiff requests that the Court issue an arrest warrant *in rem* pursuant to Supplemental Rule G(3)(b), which the plaintiff will execute upon the defendant property pursuant to 28 U.S.C. § 1355(d) and Supplemental Rule G(3)(c).

Claim for Relief

38. The plaintiff repeats and incorporates by reference the paragraphs above.

39. By the foregoing and other acts, the defendant property constitutes or was derived from proceeds traceable to specified unlawful activity, namely, wire fraud, committed in violation

of 18 U.S.C. § 1343, and is therefore subject to forfeiture to the United States of America under 18 U.S.C. §§ 981(a)(1)(C) and 984, with cross-references to 18 U.S.C. §§ 1956(c)(7) and 1961(1).

40. By the foregoing and other acts, the defendant property was involved in, or is traceable to funds involved in, money laundering transactions in violation of 18 U.S.C. §§ 1956 and 1957, and is therefore subject to forfeiture to the United States of America under 18 U.S.C. § 981(a)(1)(A).

WHEREFORE, the United States of America prays that a warrant of arrest for the defendant property, approximately \$40,000.00 in United States currency from Bank of America account number ending in 6148, be issued; that due notice be given to all interested parties to appear and show cause why the forfeiture should not be decreed; that judgment declare the defendant property to be condemned and forfeited to the United States of America for disposition according to law; and that the United States of America be granted such other and further relief as this Court may deem just and equitable, together with the costs and disbursements of this action.

Dated at Milwaukee, Wisconsin, this 18th day of November, 2022.

Respectfully submitted,

GREGORY J. HAANSTAD
United States Attorney

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Verification

I, Luke Wilhelm, hereby verify and declare under penalty of perjury that I am a Detective with the Washington County Sheriff's Office (WCSO) in West Bend, Wisconsin, that I have read the foregoing Verified Complaint for Civil Forfeiture *in rem* and know the contents thereof, and that the factual matters contained in paragraphs 10 through 34 of the Verified Complaint are true to my own knowledge.

The sources of my knowledge are the official files and records of the United States, information supplied to me by other law enforcement officers, as well as my investigation of this case, together with others, as a Detective with the WCSO.

I hereby verify and declare under penalty of perjury that the foregoing is true and correct.

Date: 11/27/2022

s/Luke Wilhelm #427

Luke Wilhelm

Detective

Washington County Sheriff's Office